

**FY 2015 Special Cost Studies Workpapers  
Special Services (Public Portion)  
USPS-FY15-28**

**NOTE:** Revisions of 1/15/15 are described in **bold** at the end of this Preface.

## **I. PREFACE**

USPS-FY15-28 documents the unit cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY15-1. These cost studies include:

Address Management Services, Caller Service, Certificate of Mailing, Change of Address Credit Card Authentication (Public Portion), Correction of Mailing Lists, Insurance, Money Order Inquiry, Periodicals Applications, Philatelic Sales, P.O. Box Key Replacement and Lock Changes, Restricted Delivery, Return Receipt, Signature Confirmation (Public Portion), Stamped Cards, Stamped Envelopes Transportation, Stamped Envelopes (Personalized Stamped Envelope Shipping Costs), Stamp Fulfillment Services (Handling), USPS Tracking, and ZIP Coding of Mailing Lists.

## **B. Predecessor Documents**

USPS-FY14-28

## **C. Methodology**

USPS-FY15-28 relies on the Postal Regulatory Commission (PRC) cost methodology based on USPS-FY14-28.

## **D. Input/ Output**

Generally, these cost studies use inputs from USPS-FY15-1, USPS-FY15-2, USPS-FY15-5, USPS-FY15-7, USPS-FY15-8, USPS-FY15-24, and USPS-FY15-25.

### **1. Address Management Services**

This cost study is contained in the EXCEL file "AMS2015.xlsx." It contains the cost models and cost sheets that are used to develop Address Management Services costs. A Direct Labor

Survey was conducted in FY15 to determine the number of hours spent by the employees and contractors for Address Management Services (AMS). Using the surveyed hours and appropriate wage rates, direct labor costs were calculated for FY15. The direct labor to total labor cost ratio is then calculated and applied to the total costs to derive AMS costs. The costs of AMS are reported in the D report (USPS-FY15-31).

## **2. Caller Service**

This cost study is contained in the EXCEL file "Caller Service2015.xlsx." It contains the cost models and cost sheets that are used to develop Caller Service costs.

## **3. Certificate of Mailing**

This cost study is contained in the EXCEL file "Certificate of Mailing2015.xlsx." It contains the cost models and cost sheets that are used to develop Certificate of Mailing costs.

## **4. Change of Address Credit Card Authentication (Public Portion)**

This cost study is contained in the EXCEL file "CreditCardPub2015.xlsx." It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The calculation in USPS-FY15-28 does not reflect the Revenue Agreement with Imagitas. As a result, the revenue and expense figures in USPS-FY15-28 cannot be used to calculate the cost coverage. The cost of Change of Address Credit Card Authentication is reported in the D report (USPS-FY15-31).

## **5. Correction of Mailing Lists**

This cost study is contained in the EXCEL file "Correction\_of\_Mailing\_Lists2015.xlsx." It contains the cost models and cost sheets that are used to develop Correction of Mailing Lists costs.

## **6. Insurance**

This cost study is contained in the EXCEL file "Insurance Costs2015.xlsx." It contains the cost models and cost sheets that are used to disaggregate Insurance costs.

## **7. Money Order Inquiry**

This cost study is contained in the EXCEL file "Money Order Inquiry and Float2015.xlsx." The "Money Order Inquiry" sheet contains the cost models and cost sheets that are used to develop Money Order inquiry costs. The "ACTUAL TOTALS" sheet contains float information for money orders.

## **8. Periodicals Applications**

This cost study is contained in the EXCEL file "Periodicals App Fee2015.xlsx." It contains the cost models and cost sheets that are used to develop Periodicals Application costs.

## **9. Philatelic Sales**

This cost study is contained in the EXCEL file "Philatelic Sales2015.xlsx." It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Philatelic Products) costs. The cost of Stamp Fulfillment Services (Philatelic Products) is also reported in USPS-FY15-NP27.

## **10. P.O. Box Key Replacement and Lock Changes**

This cost study is contained in the EXCEL file "PO\_Boxes2015.xlsx." It contains the cost models and cost sheets that are used to develop P.O. Box key replacement and lock change costs.

## **11. Restricted Delivery**

This cost study is contained in the EXCEL file "Restricted Delivery2015.xlsx." It contains the cost models and cost sheets that are used to develop Restricted Delivery costs.

## **12. Return Receipt**

This cost study is contained in the EXCEL file "Return Receipt2015.xlsx." It contains the cost models and cost sheets that are used to develop Return Receipt costs.

## **13. Signature Confirmation (Public Portion)**

This cost study is contained in the EXCEL file "SigConPub-FY 2015.xlsx." It contains the cost models and cost sheets that are used to develop Signature Confirmation costs.

## **14. Stamped Cards**

This cost study is contained in the EXCEL file "Stamped Cards2015.xlsx". It contains the cost models and cost sheets that are used to develop Stamped Card costs.

## **15. Stamped Envelopes Transportation**

This cost study is contained in the EXCEL file "Stamped Envelopes2015.xlsx." It contains the cost models and cost sheets that are used to develop Stamped Envelope costs.

## **16. Stamped Envelopes (Personalized Stamped Envelope Shipping Costs)**

This cost study is contained in the EXCEL file “Stamped Envelopes PSES2015.xlsx.” It contains the cost models and cost sheets that are used to develop Personalized Stamped Envelope shipping costs. The Personalized Stamped Envelope shipping costs are reported in the D report (USPS-FY15-31).

## **17. Stamp Fulfillment Services (Handling)**

This cost study is contained in the EXCEL file “SFS Handling2015.xlsx.” It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Handling) costs. The cost of Stamp Fulfillment Services (Handling) is reported in the D report (USPS-FY15-31).

## **18. USPS Tracking**

The EXCEL file “USPS TrackingPub-FY2015.xlsx.” contains the public portion of the cost model for USPS Tracking

## **19. ZIP Coding of Mailing Lists**

This cost study is contained in the EXCEL file “Zip Coding of Mailing Lists2015.xlsx.” It contains the cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs.

## **Revisions of 1/15/15**

**As requested in ChIR No. 2, the Postal Service has added links to the Excel files in this folder to the extent feasible. The step of adding additional links, by itself, does not cause any changes in the results.**

**Concurrently, additional revisions were made in the ‘Philatelic Sales2015.xlsx’ and ‘SFS Handling2015.xlsx’ files to correct errors that have been detected. In the ‘Philatelic Sales 2015.xlsx’ file, the First-Class Mail flat unit cost in cell C22 of the ‘Inputs’ worksheet was incorrect. The proper links have been established and the error has been corrected. The cost study worksheets in which some values have changed have been highlighted in yellow. The cells that changed within those worksheets have also been highlighted in yellow. The errors in the ‘SFS Handling2015.xlsx’ file have been corrected, as described in the response to Question 1 of ChIR No. 2, also filed on January 15, 2015.**